



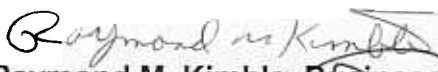
DEPARTMENT OF ENERGY
PRINCETON SITE OFFICE
BUSINESS MANAGEMENT PROCEDURE

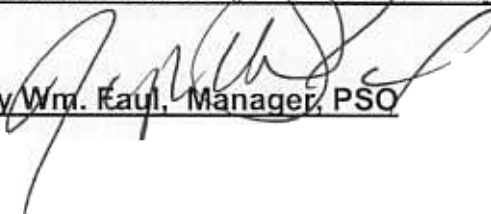
PROCEDURE 1-14

BUDGET FORMULATION, VALIDATION AND EXECUTION

REVISION 1

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Annual Review	
<u>Reviewer</u>	<u>Date</u>
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BUDGET FORMULATION, VALIDATION AND EXECUTION
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STOP WORK AUTHORITY: When an unsafe or unhealthy condition or an adverse impact to the environment is observed, all Princeton Site Office (PSO) staff have full authority to stop work. See PSO Procedure 3-11 for implementation.

BUDGET FORMULATION, VALIDATION AND EXECUTION

PURPOSE

To establish the procedure for budget formulation, budget validation, and budget execution to help ensure that budget requests are of high quality and that the current fiscal year budget is managed in a quality manner.

SCOPE

This procedure covers how budget estimates are to be prepared, documented, and reviewed; how budget validations and analysis are to be conducted and how budget execution is performed.

RESPONSIBILITIES AND AUTHORITIES

3.1 The Financial Specialist (FS) will:

- Ensure that the budget functions - formulation, execution, validation and analysis - are performed in a quality manner by PSO staff, Chicago Operations Office (CH) (validation), and Princeton Plasma Physics Laboratory (PPPL), and follow the Department of Energy (DOE) established policies and procedures.
- Take actions as necessary to carry out the field budget requests associated with the annual Unified Field Budget Call.
- Facilitate interactions between Headquarters (HQ) elements, the CH, and the contractor involving field budget matters and provide guidance to PPPL.
- Ensure that field budget submissions, including material prepared by the contractor, are complete and responsive to the programmatic and funding guidance requested by the Program Secretarial Offices, the DOE CFO and other HQ elements, as specified in the Unified Field Budget Call and other referenced materials.
- Provide supplementary field budget guidance to the contractor as required when received from the CH Office of Budget or HQ.
- Ensure transmittal of the official Field Budget Submissions to HQ elements and CH.
- Coordinate and/or perform budget-pricing validations.
- In accordance with prime contract Section C.1, the FS reviews PPPL's

major policies and procedures and recommends concurrence to the Business Management Team Leader (BMTL).

- Administer funds for the purpose allotted and comply with the limitations of the appropriations acts, anti-deficiency statutes and applicable procedures;
- Provide budgetary support to PSO technical and managerial personnel regarding program/project funding, program/project reviews, and resource requirements for PPPL's programs and projects.
- Maintain formal practices and procedures for performing budget process functions along with DOE and CH orders and directives.
- Notify CH Budget of any requests for budget data received directly from HQ elements that were not contained in CH guidance.
- Ensure that budget estimates and information are accurate and support valid program requirements.

Business Management Team Leader (BMTL)

- Responsible for oversight of the overall budget process as carried out by the FS.
- In compliance with Section C.1 of the prime contract, BMTL concurs with the contractor's major policies and procedures and recommends approval to the Manager, PSO.

Manager, PSO

- Responsible for the overall budget process as carried out by the FS and BMTL.
- In compliance with prime contract, Section C.1, the Manager approves the contractor's major policies and procedures once reviewed by the FS and BMTL.

4.0 PROCEDURES

Budget Formulation

Reference should be made to the DOE Unified Field Budget Call sent out by the HQ-CFO office every fiscal year. Specific guidance for each area is provided in "The Call." From this call, the CH Field Budget call letter is

generated. The FS transmits the Field Budget Call by letter to PPPL as soon as possible following the receipt of the “Unified Call.” Some time may be taken to clarify data requests and issues arising from the “Unified Call.” (See Process Chart on budget formulation and references in Section 5.)

4.2 Budget Validation

The FS reviews and selects areas of PPPL’s FY budget submission to be validated and submits to CH-CRA for concurrence. Once concurrence is obtained, FS obtains supporting budget data and documents from PPPL’s Budget Staff and forwards it to CRA. The pricing validation is performed by CRA with assistance from FS. At the conclusion of the validation, CRA prepares a draft report and submits to FS for review and comments. After FS reviews the draft and obtains BMTL concurrence, FS forwards e-mail to CRA. A final report is prepared and issued by CRA to PSO. (Refer to Chapter 1, Section 2 – Budget Validation Process of the DOE Budget Formulation Handbook).

4.3 Budget Execution

Direct Programs. Upon receipt of the Approved Funding Programs (AFPs), and written program guidance from HQ, the FS initiates modification of PPPL’s contract (see Procedure 1-11). The FS then monitors obligations and costs to observe trends toward overruns or underruns. All requests involving budget or funding type actions, to or from HQ should be coordinated with the PSO Business Management Team (BMT). (See the flow chart Budget Execution Process.)

4.3.2 Approved Funding Program Changes. AFP changes are executed by the HQ-CFO through requests initiated by HQ Program Divisions. All AFP change requests from PPPL are reviewed by the PSO and if acceptable are transmitted to the appropriate program office, with copy to CH-CRA, for AFP change initiation.

Indirect and Overhead Expenses. FS reviews various overhead cost reports received from PPPL. Any issues are discussed with the BMTL and resolved with PPPL. The reports are then sent thru the BMTL to the Manager of PSO for transmission to CH.

Uncosted Balances. Refer to the DOE Budget Formulation Handbook.

Construction Projects. Please refer to DOE Order 430.1A, DOE Order 534.1A, and DOE Budget Formulation Handbook.

BUDGET PROCESS FLOWCHARTS

5.1 Budget Formulation (Appendix A)

5.2 Budget Execution (Appendix B)

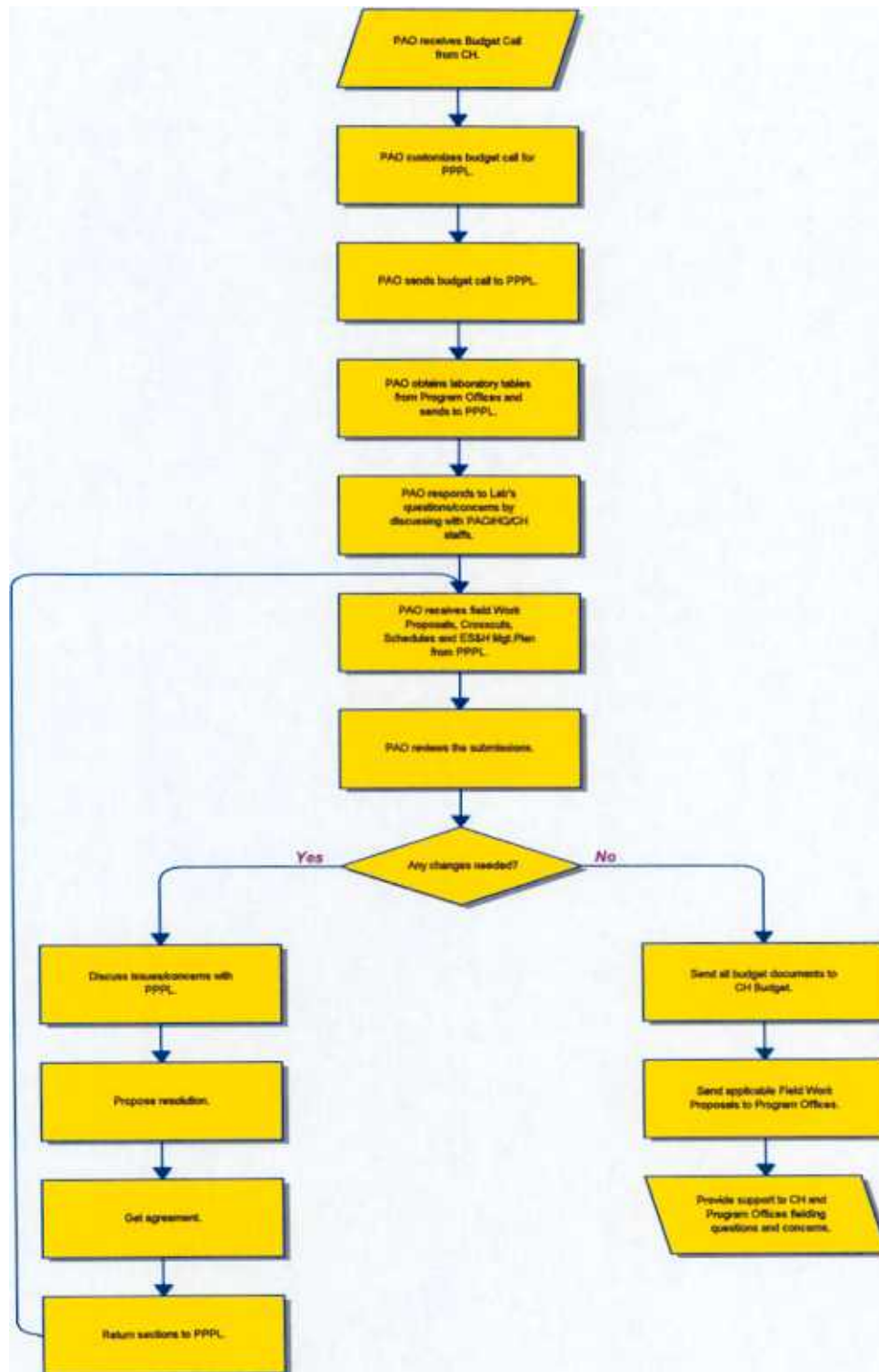
REFERENCES

- OMB Circular A-11
- DOE Order 130.1
- DOE Budget Formulation Handbook
- DOE Order 534.1A
- DOE Order 135.1
- DOE Order 430.1A
- DOE Order 412.1
- DOE Annual Field Budget Call
- Program and Other Budget Guidance
- Public Law 101-576, Chief Financial Officers Act of 1990

7.0 DEFINITIONS

	Approved Funding Plan
BMT	Business Management Team
BMTL	Business Management Team Leader
CFO	Chief Financial Officer
CH	DOE Chicago Operations Office
CRA	Accounting and Finance
DOE	U.S. Department of Energy
FS	Financial Specialist
HQ	Headquarters
	Office of Management and Budget
PPPL	Princeton Plasma Physics Laboratory
	Princeton University
	Princeton Site Office

Appendix A - Laboratory Budget Formulation



Appendix B - Budget Execution

